

Learning How to be Anti-Racist: Special Topics

The C-Word: Capitalism

4/14/21

Slides and materials from the discussion held on 4/14/21

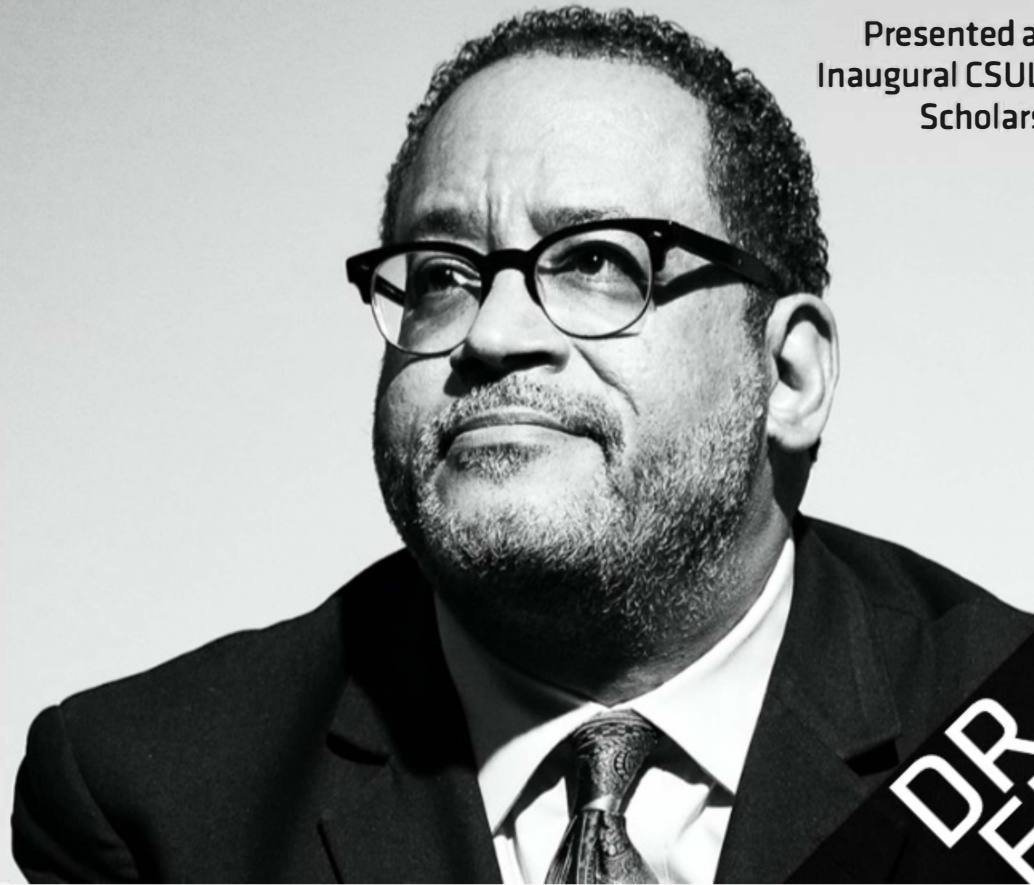
COMMUNITY EXPECTATIONS

- 1) Please change your name in Zoom to include your pronouns.
- 2) Prepare to get uncomfortable and lean into that.
- 3) Use the “raise hand” feature if you would like to speak next.
- 4) Assume good intentions when others are speaking and take a breath before responding.
- 5) Use “I” statements and speak from your own experiences.

voices
FOR JUSTICE
EQUITY & ARTS SERIES

Free Virtual Community Event

Presented as part of the
Inaugural CSULB Black Alumni
Scholarship Gala



**DR. MICHAEL
ERIC DYSON**
Academic and Author
04.24.21

<http://1cau.se/aY5>

Autism Awareness Month

- **Be an ally!**
 - Don't donate money to cure, cause, and prevention organizations
 - Do work to make society more autism friendly
 - Do educate yourself around autism

Source/ More info:

[We Don't Need a Cure for Autism – And Pushing One is Really Messed Up](#)

[The Harmful Ableist Language You Unknowingly Use](#)

PGM

(People of the Global Majority)

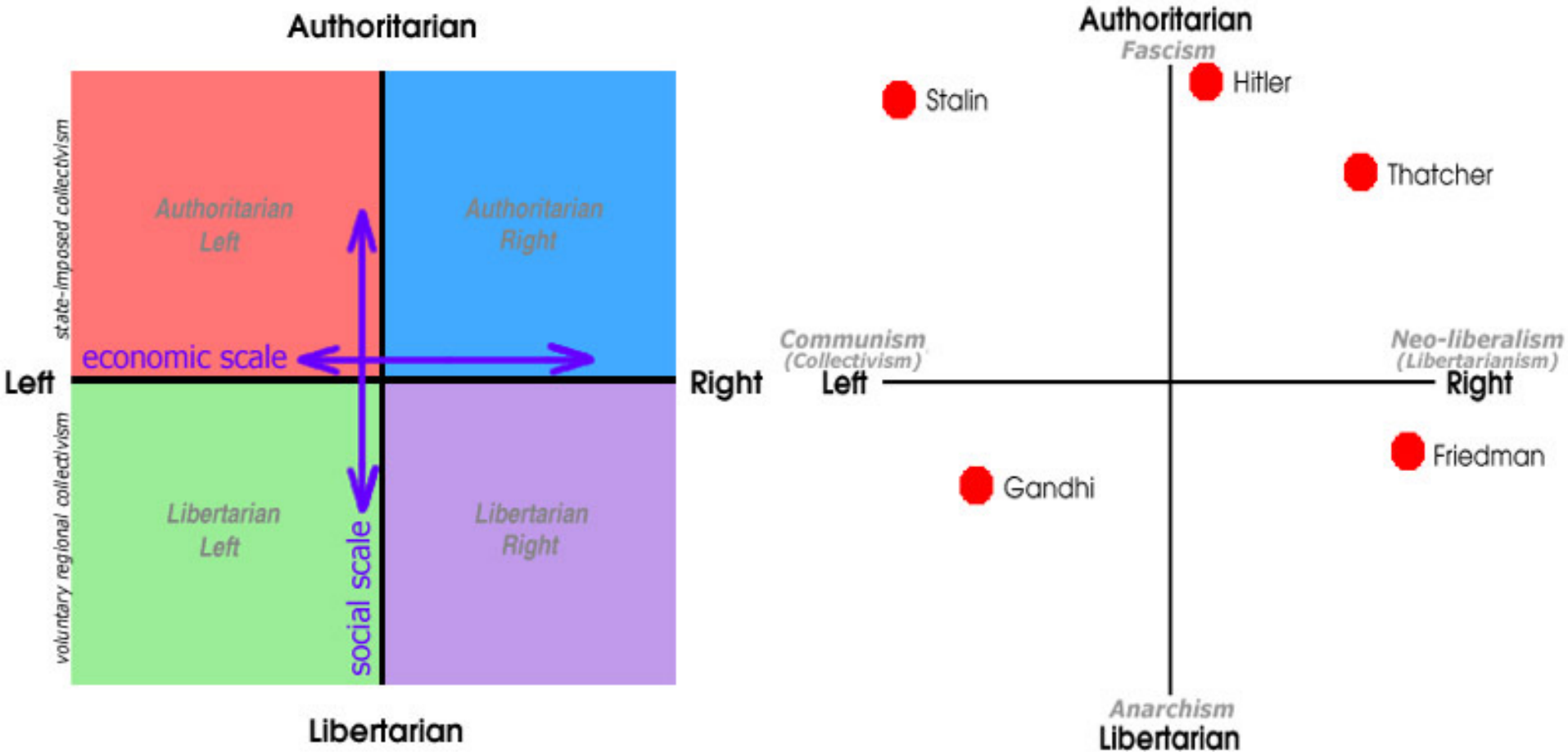
- Black, Indigenous, and People of Color represent over 80% of the world's population
- An effort to decenter whiteness
- More empowering than terms like “marginalized” or “minoritized”

Ideology and its Applications

From @zapiartists

Leftism – An umbrella term used to describe all political, social, and economic ideologies and theories located on the left-hand side of the political compass

Political Compass



Socialism

From @zapiartists and @investhumane

Any political, social, and economic philosophy which advocates for collective or governmental ownership and the re-organization of society founded on the basis of cooperation and community rather than competition.

Socialism

From @investhumane

- **“Socialism” out of context**
 - 55% of Americans have a negative view of “socialism”
- **“Socialism” in context**
 - 74% of Americans think Social Security benefits should NOT be reduced in any way
 - 71% of Americans believe Government should provide universal health coverage

Source: Pew Poll, Gallup Poll, Hill-Harris X Poll

Socialism

From @investhumane

- Socialism ranges on a wide spectrum from the approach taken within a particular industry to the approach taken towards an entire economic system.
 - **Industry Specific:** Roads, Bridges, Sewer System, Public Schools, Public Transit, Waste Management
 - **Entire Economic System:** Soviet Union, Cuba

Communism

From @zapiartists and @investhumane

A classless, stateless society in which all private property is abolished and the means of production are controlled by the workers. An explicitly anti-capitalist development of socialism largely influenced by the writings of Karl Marx and Fredrich Engels.

(Although ruled by the Communist Party, and popularly referred to as communist, the Soviet Union was actually a socialist society that claimed to be moving towards communism.)

Marxism

From @soyouwanttotalkabout

Karl Marx was a German philosopher, economist, historian, sociologist, journalist, political theorist, and socialist revolutionary.

Marxism, or Scientific Socialism, is the name given to the body of ideas first worked out by Karl Marx and Friedrich Engels.

Source: Marxist.com

Marxism

From @soyouwanttotalkabout

Marx co-authored *The Communist Manifesto* with fellow scholar Friedrich Engels in 1848, a piece of writing that makes the case for the political theory of socialism – where the community (rather than rich people) have ownership and control over their labor.

Source: history.com

Marxism

From @soyouwanttotalkabout

Karl Marx explained that capitalism is a chaotic system of production beyond the control of humanity.

While it raised human's productive capacity higher than anytime before, it is doomed to plunge society into ever-greater crises. Marx also explained that the system creates the modern proletariat.

Source: marxist.com

Marxism

From @soyouwanttotalkabout

Marx believed that the tensions between the proletariat (the working class as a whole) and bourgeoisie (the ruling class who control the workers and profit from their labor) make up the class conflict, or class struggle.

“Marxism” is essentially Marx’s analysis of the complex and developing relations between these two classes.

Simply put:

Marxism is a theory.

Marxism

From @soyouwanttotalkabout

Some point to the anti-democratic practices of many Communist countries and claim that authoritarianism is inherent in Marxist doctrine. In fact, Marx's theories concentrate on advanced industrial capitalism with its imperfect but still functioning democratic institutions and he never thought that socialism could achieve its full promise in relatively poor, politically underdeveloped nations.

Source: nyu.edu

Marxism

From @investhumane

The political and economic theories of Karl Marx.

- **Economic** – Capital (currency, wealth, profit) is always derived from labor. Capitalism thus depends on the exploitation of labor.
- **Political** – Workers must lead a revolution in order to control the means of production and create a socialist political system.
- **Philosophical** – Human history can be interpreted as a never-ending struggle between the rich and poor. This is known as “Historical Materialism.”

Historical Contexts

From @zapiartists

- Failure to actualize theoretical ideals due to -
 - Outside Intervention
 - Corruption
 - Nepotism
 - Cronyism
- Led to –
 - impoverishment of tens of millions of people
 - huge wealth disparities
 - major recessions

Historical Contexts

From @zapiartists

In these cases, those marginalized were further oppressed as political elites took advantage of systems for their own gain. Thus, these countries failed to truly enact a system which did not exploit its citizens.

The Argument Against Leftist Ideologies

From @zapiartists

- History books point to the harm these systems brought upon their people.
- These states were **unable to reach a society beyond state, beyond class**, ultimately failing to move beyond authoritarian governments and properly unite/provide for their respective working classes.
- Consequently, numerous theorists assert **these attempts failed to achieve a true communist society.**

Anti-Communist Sentiment within Asian Populations

From @zapiartists

- Anti-communism is prominent in Asian communities – **particularly among Chinese and Vietnamese populations.**
 - The application of socialist and communist ideologies within escapees' countries have resulted in negative, often violent, outcomes; for many members of Chinese and Vietnamese diasporas, communism only brought famine, impoverishment, and suffering.

Anti-Communist Sentiment within Asian Populations

From @zapiartists

- These experiences, combined with the belief in the American Dream and overall value placed on individualism and free enterprise within Asian communities – especially among older generations – have led to **substantial rates of conservatism** within Chinese and Vietnamese communities.

Exploiting Fear

From @zapiartists

- Past instances of communism failing its populace and adopting authoritarian dictatorships, as well as the conflation of socialism – particularly **democratic socialism** – with totalitarianism and anarchy has led to a **growing fear of leftism in general.**

Exploiting Fear

From @zapiartists

- Right-leaning, conservative media outlets and politicians have **capitalized on this fear** by encouraging existing anti-communist sentiment and exploiting the trauma of refugees/escapees.
- This exploitation of fear further equates the Democratic party with overtly villainized conceptions of socialism and communism, thus **demonizing any and all ideologies associated with the left.**

Leftist Themes within People Power Movements

From @zapiartists

- Worker resistance and anti-capitalist action takes shape in various forms. Movements may not explicitly associate with socialism or communism but may still reflect similar themes, evident in those **advocating for the liberation of the working class**, those **demanding justice and rights for BIPOC communities**, and those encouraging **solidarities amongst marginalized peoples**.

Leftist Themes within People Power Movements

From @zapiartists

- Solidarity and empowerment of marginalized groups are paramount to various social movements. **Anti-Colonialism** shares similar drives, **Indigenous frameworks and knowledges** have reflected similar ideas before western minds even realized them a necessity, and **Black Liberation Movements**, particularly the Civil Rights Movement of the 1960s, have inspired new forms of radical leftism based on the liberation of Black Americans.

Influence

From @zapiartists

- Leftist thought, especially that developed and expanded upon by and for marginalized groups has been beneficial in forming solidarities across oppressed populations.
- Cultures of **community care** and **mutual aid** have been essential in establishing these solidarities.

Constructive Conversations About -Isms

From @investhumane

- The next time you hear Socialism, Capitalism, Communism, or Marxism come up in media or in conversation, **ask yourself the following:**
 - **HOW** is this –ism being defined? (*Ask them to define what they mean by this –ism*)
 - **WHAT** context is this –ism being used in? (*Ask them to give context for this –ism*)
 - **WHY** does the speaker disagree with this –ism? (*Are the disagreements general or specific? If extremely general, the conversation loses substance*)

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Democratic Socialism

From @soyouwanttotalkabout

- Democratic socialists believe that both the economy and society should be run democratically – to meet public needs, not to make profits for a few
- *Democracy and socialism go hand in hand. All over the world, wherever the idea of democracy has taken root, the vision of socialism has taken root as well – everywhere but in the United States. Because of this, many false ideas about socialism have developed in the U.S.*

Democratic Socialism - History

From @soyouwanttotalkabout

- During the late 19th and the early 20th centuries, a wide range of socialists adopted the term “social democrat” to distinguish themselves from socialists who advocated violent revolution.
- Social democrats advocate a peaceful, evolutionary transition from capitalism to socialism through the use of the existing political process

Democratic Socialists

From @soyouwanttotalkabout

- Believe that social and economic decisions should be made by those whom they most affect
- Believe that the workers and consumers who are affected by economic institutions should own and control them
- 70% of millennials in the U.S. say they would vote for a socialist

The next generation of socialists believes that the intolerable cannot be tolerated, and if you believe that, you must might be a socialist yourself.

Sources: DSA, YouGov, NBC

Democratic Socialism Isn't a "Pipe Dream"

From @soyouwanttotalkabout

- We can learn from the comprehensive welfare state maintained by the Swedes, from Canada's national health care system, France's nationwide childcare program, and Nicaragua's literacy programs.
- Lastly, we can learn from efforts initiated right here in the U.S., such as the community health centers created by the government in the 1960s.

Source: DSA

Neoliberalism

@the.mirror

- 1) An **IDEOLOGY** that the state's primary role is to protect property, free markets, and free trade
- 2) A **MODE OF GOVERNANCE** based on competitiveness and individuality
- 3) **POLICIES** which cut social welfare and integrate nations into a global economy

Neoliberalism

@the.mirror

Neoliberalism is the privatization of the commons: transportation, healthcare, public space, education, foreign land, etc.

As capitalism spirals into crisis after crisis, neoliberalism is used to right the economy by opening new markets in areas which were kept away from, or freed from, capitalist modes of production through labor struggle

Neoliberalism

@the.mirror

Domestically, neoliberalism is used to suppress demands of welfare and other state services. This is partially accomplished through promoting individualism and entrepreneurship, and convincing people that they should work for their basic needs.

It is also done by under-funding public services, creating a failure of public institutions, and using this failure as an excuse to privatize public services.

Neoliberalism

@the.mirror

As social services are cut, domestic police forces are increased to manage the many crises of poverty. Further, the police (and military) become a new market in which to funnel capital. Stale and stagnant capital loses value so it must be circulated. This is why the U.S. has a large military budget.

Neoliberalism

@the.mirror

The temporary increase in competition, thanks to privatization, pushes production into the colonies (with the help of a large military) for extremely low wage labor, in turn, driving down wage in the mainland.

Capitalism

Defined

- An economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market
- A capitalist nation is dominated by the free market, which is an economic system in which both prices and production are dictated by corporations and private companies in competition with one another

Capitalism

From @investhumane

- Capitalism ranges on a spectrum from laissez-faire (unregulated) to regulated capitalism. It can also vary substantially across different industries.
- **Laissez-Faire:** Stock Market, Corporate Monopolies, No Sales Tax, No Drug Price Control
- **Regulated:** Nordic Economies (“Nordic Model”), The Affordable Health Care Act (Obamacare), Drug Price Control (NOT in the U.S.), Labor Unions

Capitalism

Impact

- 77% of households in the United States are in debt
 - 1 in 7 U.S. residents is being pursued by a debt collector

Capitalism

Impact

- There are 18.4 million empty homes in the United States
 - There are 842,000 homeless in any given week
 - Which means: there are 22 empty houses for every 1 homeless American

Housing is the necessary precondition for security, identity, emotional well-being, work, leisure, and community. There is no greater condemnation of capitalism than its inability to provide adequate housing for those who produce its wealth – the working class.

Capitalism

Impact

- 47% of Americans think “capitalism as it exists today does more harm than good in the world”
 - According to a survey conducted in November of 2019

Capitalism

Ethics

- Capitalism as a Moral Philosophy
 - The capitalist subject does not simply seek surplus and makes a profit
 - The capitalist subject is DEFINED by its fidelity to profit
 - Profit is a moral – not economic – good in capitalism
 - When a profit is a moral good, it competes with ethical deliberation about the well-being of others
 - Ex: Texas Winter Storm, Dr. Michelakis & DCA

Capitalism

Ethics

“That’s what profits get you... But the cost is people’s lives. How disgraceful and evil. But for capitalists, I guess it’s all good. Or better: it’s the right thing to do.”

- Biko Mandela Gray

Racial Capitalism

By Dr. Ayesha Khan & Nato Koury

- Definition: The commodification & exploitation of colonized or non-white people for economic gain (usually by a predominantly white institution)
- Racial capitalism is a national and global economic system that uses poor people of color to generate social or economic profits. Racism and Capitalism co-evolved & exist as a single system of globalized economic white supremacy

Origins of Racial Capitalism

By Dr. Ayesha Khan & Nato Koury

- The concept of race started to develop in Europe prior to the transatlantic slave trade. The first enslaved proletariats were Europeans (Irish, Jews, Slavs, Romani, etc). Colonialism evolved, expanded and shaped the racial hierarchy that we know today. Race is a means of structuring power through difference.

Origins of Racial Capitalism

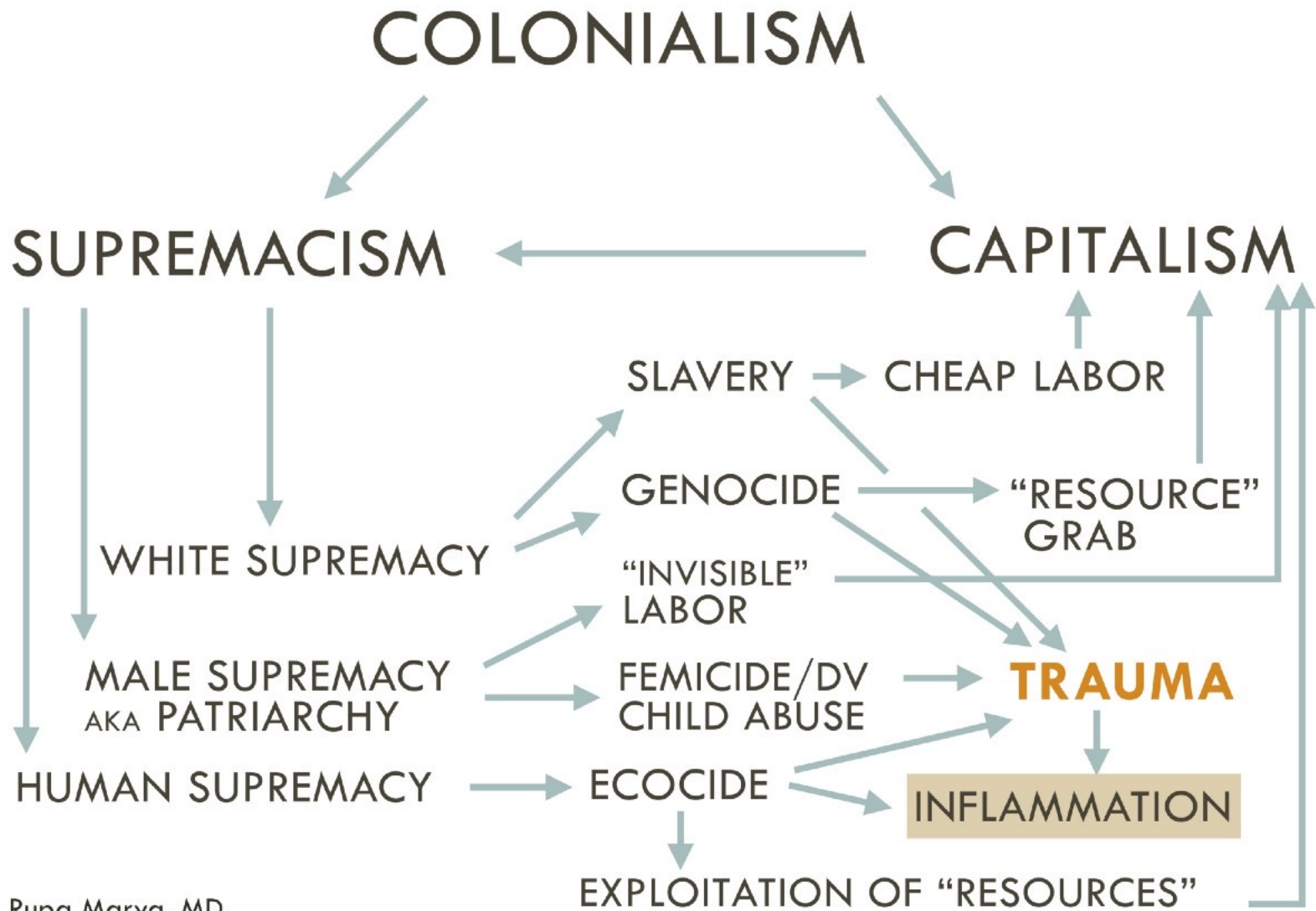
By Dr. Ayesha Khan & Nato Koury

- Capitalism emerged from this racial hierarchy. “Racism” considers whiteness as superior to all else. The hierarchy inevitably leads to the exploitation of Black & Brown people. The white “middle class” are asked to pledge allegiance to white supremacy in exchange for fair compensation when in fact they only get crumbs. The secret to capitalism survival is racism.

Origins of Racial Capitalism

By Dr. Ayesha Khan & Nato Koury

- Marxism: Capitalism emerged due to the failures of feudalism.
- Black Marxism: Coined by Cedric Robinson's pioneering work explains Capitalism evolved within the feudal order to produce the modern system of "racial capitalism" where the economy is dependent on slavery, violence, imperialism, and colonization.



Rupa Marya, MD

“The requirement for resources and for labor is really what is behind conquest, behind colonization, dispossession, slavery, and environmental destruction. These are the five processes in the creations of modern Capitalism and white supremacy.”

– Robin D.G. Kelly

“Racial Capitalism is not merely a type of Capitalism. The term simply signals that Capitalism develops and operates within a racist system or racial regime.”

– Robin D.G. Kelly

THE MATTHEW EFFECT or CUMULATIVE ADVANTAGE

The Matthew effect describes the phenomenon that in societies, the rich tend to get richer and the potent even more powerful. Cumulative advantage and success-breeds-success also both describe the fact that advantage tends to beget further advantage.

The concept today is in use to describe the general pattern of self-reinforcing inequality related to economic wealth, political power, prestige, knowledge or in fact any other scarce or valued resource.

Source: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4233686/>

THE MATTHEW EFFECT or CUMULATIVE ADVANTAGE

While originally developed by Merton to explain advancement in scientific careers, cumulative advantage is a general mechanism for inequality across any temporal process (e.g., life course, family generations) in which a favorable relative position becomes a resource that produces further relative gains.

Cumulative advantage as either an explicit or implicit inequality-generating process has pervaded the sociological literature for several decades. Aggregate data suggests that Cumulative Advantage is at work in many social domains.

Source: <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.529.6139&rep=rep1&type=pdf>

RACIAL WEALTH GAP

From @informxyourself

The absolute difference in wealth holdings between the median household among racial and ethnic groups.

The racial wealth gap has not improved over the last 50 years.

There is significant inequality in areas such as income, family wealth, lifetime earnings, homeownership, and student debt between different racial and ethnic groups in the US.

RACIAL WEALTH GAP

From @informxyourself

Income inequality directly affects wealth. Wealth refers to assets, not income. With less income, it is harder for Black Americans to build up assets, causing a lack of generational wealth.

The median wealth for White families is 7 times more than Black families and 5 times more than Latinx families.

Black and Latinx families are twice as likely to have zero assets compared to White families.

RACIAL WEALTH GAP

From @informxyourself

Lower earnings create harder living conditions, barriers to saving money, and plunge generational wealth. Lifetime earnings directly affect a family's following generations, whether they inherit an abundance of wealth or lack thereof.

RACIAL WEALTH GAP

From @allasianartalliance

For centuries, Black Americans were **systemically barred from acquiring the wealth** many of us have today

- 1) **Black Americans WERE the wealth for centuries as enslaved people**, treated as property.
- 2) When they were freed, **laws, policies, and tactics were used to impede opportunities to build their wealth**, including the undoing of Special Field Orders No. 15, Redlining, and the distribution of Subprime Mortgages to Black Americans.
- 3) **Living in communities with inadequate resources and lack of funding** continues to **hinder Black Americans from earning the wealth** needed to survive in our capitalist society.

“The problem with capitalism is that if you aren’t born into wealth, your only capital is your labor. So automatically, your human body is now a commodity that you must sell. And if you can’t sell it for enough, you won’t be able to care for it and will lose your capital.”

- Jillian Ingram

Sources

From @allasianartalliance

[A 'Forgotten History' Of How the U.S. Government Segregated America](#)

[Explained | Racial Wealth Gap | FULL EPISODE | Netflix](#)

[The Recession's Racial Slant](#)

[Simulating How Progressive Proposals Affect the Racial Wealth Gap](#)

[Housing Discrimination Still Exists, in Deceptively Subtle Forms](#)

[How Redlining's Racist Effects Lasted for Decades](#)

Capitalism and Poverty

From @leftnortheast

- Global poverty could be ended with \$175 Billion, which is less than 1% of the total annual income of all the richest countries in the world combined.
- Global poverty has not been addressed because it is not profitable to do so.

Capitalism and Poverty

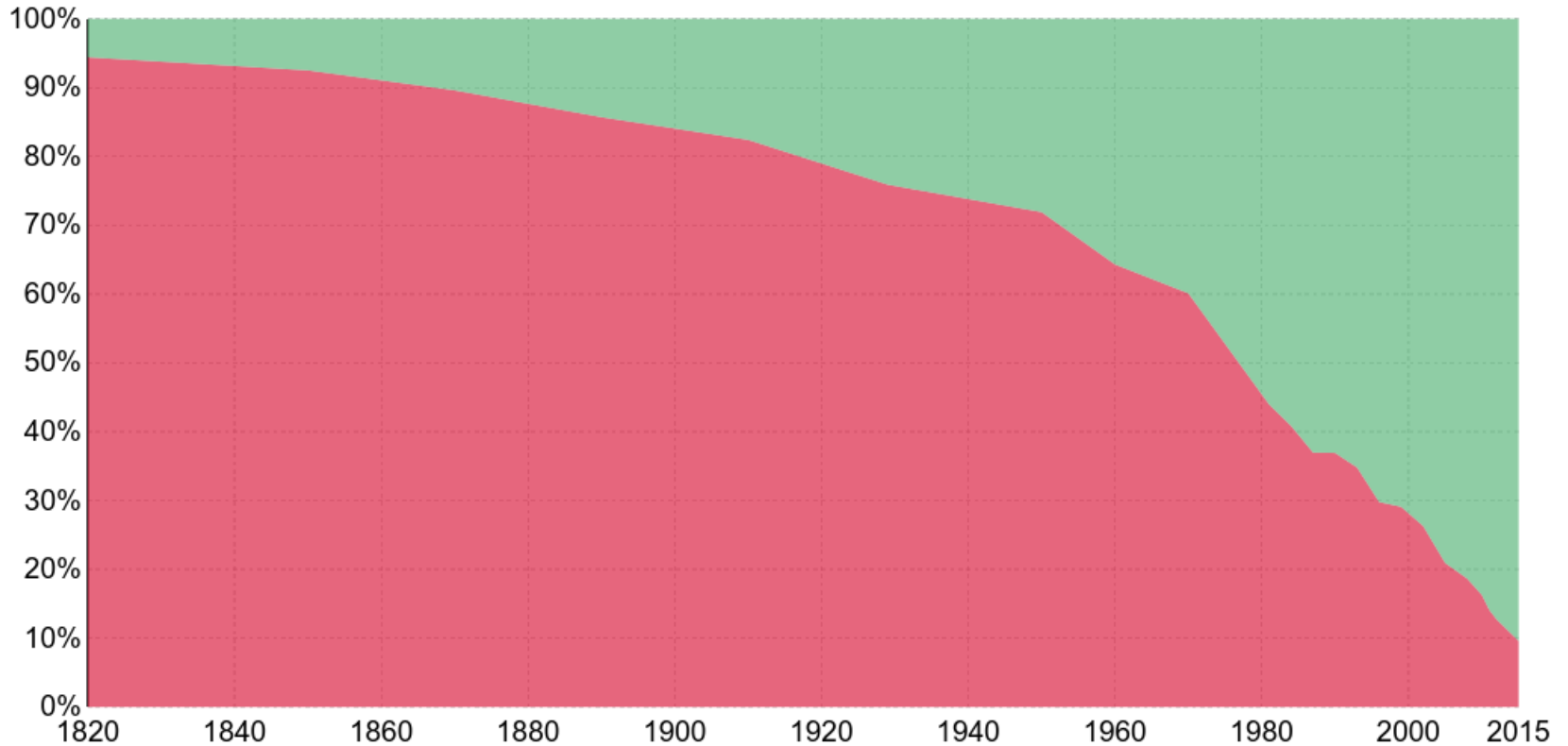
From @leftnortheast

- The following graph is often used to support the talking point that global poverty is decreasing due to capitalism
- It is extremely misleading

World population living in extreme poverty, 1820 to 2015

Share of people living in extreme poverty

Share of people not in extreme poverty



Data source: World Poverty in absolute numbers (Max Roser based on World Bank and Bourguignon and Morrisson (2002))

OurWorldInData.org/a-history-of-global-living-conditions-in-5-charts/ • CC BY-SA

Capitalism and Poverty

From @leftnortheast

- The graph starts in 1820, but the World Bank began surveying poverty rates in 1981.
 - Any data from before then is from the data of nation GDP – a dataset that was never intended to measure poverty.

Capitalism and Poverty

From @leftnortheast

- Furthermore, “poverty” is defined by having less than \$1.90 per day, but the poorest countries – prior to colonialism – had no need to have money; most people lived in subsistence economies where they enjoyed access to abundant commons – land, water, forests, livestock, and robust systems of sharing and reciprocity. Money is a social construct, and at that time, people in many countries did not actually need it to live a healthy life.

Capitalism and Poverty

From @leftnortheast

- Using the \$1.90 benchmark to measure poverty is also flawed, as it would imply only 700 million people lived in poverty in 2015. However, according to the UN's Food and Agriculture Organization, that same year, 1.5 billion people were food insecure and did not have enough calories to sustain "normal" human activity.

Capitalism and Poverty

From @leftnortheast

- If one were to use \$7.40 to account for poverty – which is a conservative measure; many studies propose for it to be within the range of \$10-\$15 a day to bring the benchmark closer to the united states poverty index – the numbers tell a different story.
 - The poverty rate has only declined from 71% to 58% from 1981 to 2013, and if you use absolute numbers, 1 billion more people are in poverty today than in 1981.
 - The UN originally tracked poverty with absolute numbers after the Rome Declaration in 1996, but later switched to percentages.

Capitalism and Poverty

From @leftnortheast

- The economic boom in China is one of the main reasons the graph looks so impressive, as without China, the poverty index – by their own measure – remains stagnant around 60%. Many Chinese citizens, by relocating en masse from rural communities to urban ones and taking up the factory and service-based jobs, were able to be counted as some of the “millions lifted from poverty.” Despite this, the average happiness of a Chinese citizen has decreased in the last 20 years.

Capitalism and Poverty

From @leftnortheast

- The “free market” cannot solve these problems – capitalism is structurally oblivious to humanity’s existence on a finite planet. It demands a constant cycle of production and consumption, not realizing that neither of those things is infinite. This is why capitalism goes through recessions every so often; if demand or production slows at any point, so does the movement of money, causing the economy to collapse.

Sources

From @leftnortheast

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Billionaires

Wealth Shown to Scale

- A January 2020 report found that billionaires have more wealth than 60% of the world's population.
 - 2,153 billionaires have more wealth than 4.6 billion people
- Most Americans support increasing taxes on the wealthy
 - The wealth gap between America's richest and poorer families more than doubled from 1989 to 2016

Billionaires

Four ways to accumulate a billion dollars

- 1) Exploit a monopoly (like Jeff Bezos)
- 2) Get insider information unavailable to other investors (like hedge-fund maven Steven A. Cohen)
- 3) Pay off politicians (like Charles and David Koch)
- 4) Get the money from rich parents or relatives (about 60% of all wealth in America today is inherited)

The Paper Billionaire

- The Argument: Billionaires aren't really that wealthy, because there's no way to liquidate this much wealth
 - Wealth is held in stocks, bonds, and other comparable forms of corporate equity
 - Liquidating this wealth would flood the market and prices would drop significantly

Source: [The Paper Billionaire Argument](#)

The Paper Billionaire

- The Reality: Instant liquidation is not something that is done
 - Billionaires regularly liquidate in a carefully managed liquidation plan
 - The market cap of the US stock market is around \$35 trillion
 - Around \$122 trillion worth of stock changes hands in the US every year
 - Liquidating a trillion dollars over five years would constitute about 0.05% of all the trading that happens in that time.

Source: [The Paper Billionaire Argument](#)

The Paper Billionaire

- The Argument: Only other billionaires would be able to buy stocks sold by billionaires
- The Reality: Half of households in the US own stock – either directly or through their 401k/IRA

Source: [The Paper Billionaire Argument](#)

The Paper Billionaire

- For Argument's Sake: Suppose liquidating this wealth caused 80% of it to vanish
 - That would leave behind \$700 billion – still enough to eradicate malaria, provide everyone on earth with water and waste disposal, lift every American out of poverty, and test every single American for coronavirus

Source: [The Paper Billionaire Argument](#)

“[People] simply look at the massive scale of global wealth, and the massive scale of global poverty, and then retreat into cynicism.

The millions dead from preventable diseases? Unsolvable, they declare. Those who would address global property just ‘don’t understand how stocks work.’

Perhaps it’s easier to just declare the problem unsolvable than to confront the massive human cost of your ideology. But confront it we must.”

- Matt Korostoff

Characteristics of White Supremacy Culture

Perfectionism

Sense of Urgency

Defensiveness

Either/Or Thinking

Worship of the Written Word

Objectivity

Progress is Bigger, More

Paternalism

Power Hoarding

Only One Right Way

Right to Comfort

Individualism

Fear of Open Conflict

Quantity Over Quality

Minimum Wage

From @soyouwanttotalkabout

- 3.3 million workers are at or below the federal minimum wage
 - 63% are women
- More than half of African Americans and 60% of Latinos make less than the federal minimum wage
- 1.3 million veterans would benefit from a \$15/hour minimum wage

Minimum Wage

From @soyouwanttotalkabout

- Who is making less than \$15/hour?
 - Fast food workers
 - Home care workers
 - Childcare workers
 - Hotel workers
 - Retail workers
 - Auto manufacturing

(the people who we rely on to keep our lives running)

Minimum Wage

From @soyouwanttotalkabout

- Average cost of rent: \$1,400/Month
- Average American income: \$2,833/Month*
- At just \$7.25, there is not a single U.S. state where a minimum wage worker can afford to rent a two-bedroom home.

**Before taxes*

Sources: epi.org, FiveThirtyEight

Minimum Wage

From @soyouwanttotalkabout

The federal minimum wage hasn't been raised since 2009 – the longest stretch in its history.

Federal Minimum Wage

- 2009: \$7.25/Hour
- 2020: \$7.25/Hour

Cost of Buying a House:

- 2009: 290,000
- 2020: \$362,700

Minimum Wage

From @soyouwanttotalkabout

Cost for 1 Year Public College:

- 2009: \$5,930
- 2020: \$9,970

Cost of Childbirth:

- 2009: \$2,910
- 2020: \$10,808

Minimum Wage

From @soyouwanttotalkabout

If the minimum wage had risen at the same pace as productivity growth since the Vietnam War, it would be over \$20 an hour today.

Minimum Wage

From @soyouwanttotalkabout

If McDonald's raised the companywide minimum wage to \$15/hour, a Big Mac would increase by \$0.17.

Minimum Wage

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- Myth: “A \$15 minimum wage will cost us jobs”
 - The most sweeping study, published in 2019, looked at 40 years worth of data on 138 state-level minimum wage changes
 - It found ***no*** link between minimum wage increases and job losses
 - Another study reviewed 70 years of Labor Department data
 - It found no correlation between federal minimum wage increases and job losses. In fact, after 68% of the raises, overall employment *increased*

Sources: Academic.oup.com, nelp.org

Minimum Wage

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- Myth: “A \$15 minimum wage hurts small businesses”
 - Research shows that workers spend their money locally – each \$1/hour raise for a minimum wage worker translates into an additional \$2,080 in consumer spending by their household over a year
 - Studies also show that raising pay for low-wage workers leads to higher productivity and work quality, fewer missed shifts, and lower turnover costs
 - “Businesses depend on customers who make enough to buy what they are selling.”

Sources: Federal Reserve Bank of Chicago, nber.org, epi.org, Center on Wages and Employment Dynamics, Business for a fair minimum wage

Minimum Wage

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- Myth: “A \$15 minimum wage will drive up govt. debt”
 - Workers who are paid more also spend more (and pay more taxes)
 - A 2021 study found that a \$15 minimum wage would **positively** impact the federal budget \$65.4 billion, mostly due to taxes
 - Research shows that a \$15 minimum wage would reduce the need for public assistance programs by up to \$31 billion annually

Sources: irle.Berkeley.edu, epi.org

Minimum Wage

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- Myth: “A \$15 minimum wage will cause prices to skyrocket”
 - Seattle raised minimum wage in 2016 – UW tracked prices of 106 items in 6 different grocery chains in the city. They found that the wage increase did not affect the price of food at supermarkets
 - A study found that price increases were small and applied only to the month or so immediately after a new wage goes into effect
 - A Big Mac costs 27 cents more in Denmark – with a \$22/hour minimum wage and 6 weeks of paid vacation

Sources: University of Washington, W.E. Upjohn Institute, NY Times

Minimum Wage

Opinion

- A 40-hour work week is considered full time
- It's considered as such because it takes up the amount of time we as a society have agreed should be considered the maximum work schedule required of an employee (this, of course, does not always bear out practically, but just follow me here)
- A person working the maximum amount of time required should earn enough for that labor to be able to survive

Minimum Wage

Opinion

- Therefore, if an employee is being paid less than [number of dollars needed for the post-tax total to pay for the basic necessities in a given area divided by forty] per hour, they are being ripped off and essentially having their labor, productivity, and profit generation value stolen by their employer.

Minimum Wage

Opinion

- Wages are a business expense, and if a company cannot afford to pay for its labor, it is by definition a failing business. A company stealing labor to stay afloat is no more ethical than a failing construction company breaking into a lumber yard and stealing wood.
- Our goal as a society should be to protect each other, especially those that most need protection, not to subsidize failing businesses.

Universal Basic Income

- A policy that gives citizens direct cash payments from the government on an unconditional, permanent basis

Universal Basic Income

- Arguments for UBI –
 - Might be more cost-effective and produce better outcomes than current system of welfare programs
 - Might promote better quality of life, and Democracy
 - Might be necessary in the near-future as artificial intelligence and automation cause mass unemployment

Universal Basic Income

- Arguments against UBI –
 - Very costly, \$10,000/year to every American would cost around \$3 Trillion annually
 - Might incentivize individuals not to work
 - Could reduce traditional welfare programs that a UBI cannot fully provide (housing assistance, health care, unemployment assistance) and thus lead to more poverty

Where has a UBI been tried?

Pilot programs for UBI have been tried in at least 13 different countries and 15 different U.S. states. Cities such as Los Angeles and Atlanta are currently running UBI pilot programs.

Where has a UBI been tried?

Example #1: Finland (2017-2018)

- 2000 Finnish adults were given \$660 a month with no strings attached
- The UBI recipients reported better financial well-being, mental health, cognitive functioning, and worked more than those on unemployment benefits

Where has a UBI been tried?

Example #2: Kenya (2017-Present)

- The largest and longest running UBI program in the world
- 20,000 recipients in rural villages are receiving \$0.75/day for 12 years
- A collaborative effort between the charity GiveDirectly and M.I.T.
- Study will conclude in 2029

Who supports a UBI?

Throughout history, a UBI of some form has been supported by an interesting mix of figures on the political left and right.

Who supports a UBI?

“The programs of the past all have another common failing – they are indirect. Each seeks to solve poverty by first solving something else... We must create full employment or we must create incomes.”

– Martin Luther King Jr.

Who supports a UBI?

“Men did not make the earth. It is the value of the improvements only, and not the earth itself, that is individual property. Every proprietor owes to the community a ground rent for the land which he holds.”

– Thomas Paine

Who supports a UBI?

“We should replace the ragbag of specific welfare programs with a single comprehensive program of income supplements in cash – a negative income tax. It would provide an assured minimum to all persons in need, regardless of the reasons for their need.”

– Milton Friedman

Who supports a UBI?

“We should explore ideals like universal basic income to make sure that everyone has a cushion to try new ideas.”

– Mark Zuckerberg

“The way we get to no more capitalism is by building worker power, creating systems where labor is not stolen via profit, and providing everyone with what they need to thrive (healthcare, housing, water, etc.)....

Our job 100% of the time, as anti-capitalists, is to try to build a majority. We do this by fighting and winning union drives, the war of ideas, legislation, and political office.”

- seitanosaurus

“At some point we have to recognize that the financial anxiety young people are living through is not normal. Monetizing all of your hobbies is not normal. Hustle culture is not normal. Glorifying precarious work is not normal. Self-optimization is not normal.

All of these issues have a single root, and guess what? It's the economic system we live under! Be we're too exhausted to even see an alternative to capitalism because we're so broken and fatigued by it.

*It doesn't have to be this way;
we can seek a different future.*

- Diyora Shadijanova

“We live in capitalism – its power seems inescapable. But so did the divine right of kings.”

- Ursula K. Leguin

ACTION ITEM #1

Attend

**Indigenous Economics Conference:
Reclaiming the Sacred**

June 10-12, 2021

[More Info/Register](#)

CAPITALISM

SOURCES AND RESOURCES

[White Supremacy Culture](#)

[The Capitalistic Work Ethic Fallacy Creates Space for Anti-Fatness and Biphobia](#)

[Sanctions Kill: The Devastating Human Cost of Sanctions](#)

[The Asset Value of Whiteness: Understanding the Racial Wealth Gap](#)

[Why #BuyBlack Has Never Been the Path to Black American Economic Empowerment](#)

[Dawning Climate Catastrophe and the Paradox of Green Capitalism](#)

[“This is what we die for”: Human Rights Abuses in the Democratic Republic of the Congo Power the Global Trade in Cobalt](#)

[“You Do Not Exist To Be Used”: Why Your Life Purpose is Bigger Than Capitalistic Productivity](#)

CAPITALISM

Further Reading

The Communist Manifesto

By Karl Marx and Friedrich Engels

Wage Labor and Capital

By Karl Marx

A People's Guide to Capitalism

By Hadas Their

Socialism... Seriously

By Danny Katch